



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF STATE LANDS AND FORESTRY

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

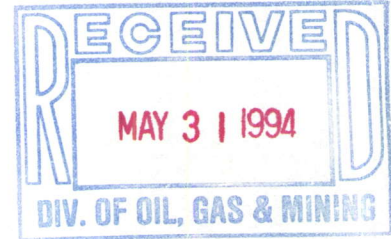
Scott Hirschi  
Division Director

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Salt Lake City, Utah 84180-1204  
801-538-5508  
801-355-0922 (Fax)

June 1, 1994

CERTIFIED MAIL NO. P 051 448 255

Jerry Holliday  
465 West 400 North  
Blanding, UT 84511



Dear Mr. Holliday:

RE: ML 45960-Building Stone/Limestone  
S/037/081 San Juan County

On April 26, 1994, the division requested that within 30 days the Lessee furnish additional surety or collateral bonding in the amount of \$21,500 to bring mining operation under ML 45960 into compliance with Rule R640-20-2800-2(b). Lessee has failed to comply with the division's request and is in breach of Article XII of the lease agreement.

Lessee is hereby notified pursuant to Article XIX of the lease agreement that ML 45960 will terminate in 30 days from date of this letter.

The division demands that upon the termination of ML 45960 you immediately cease all mining and reclaim all surface disturbances pursuant to your operations upon the lands. Failure to do so shall result in your forfeiture of \$2,000 CD No. 1860905 and in any additional action necessary by the state to recover damages.

Lessee may remedy the violation of Article XII and prevent the termination of this lease by furnishing the requested bond prior to 30 days from the date of this letter.

Please contact John Blake, 538-5475, if you have any questions in this matter.

Sincerely,

SCOTT HIRSCHI  
DIRECTOR

SH/JTB/tdw

cc: Kevin Carter  
John Andrews  
John Blake  
Wayne Hedberg